

**UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF PENNSYLVANIA**

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

Civil Action No: 10-cv-07379-MSG

ALFRED CLAY LUDLUM III,)
PRINTZ CAPITAL MANAGEMENT, LLC,)
PRINTZ FINANCIAL GROUP, INC., and)
PCM GLOBAL HOLDINGS, LLC)

Defendants)

**DECLARATION OF DEVON LEPPINK STAREN IN SUPPORT OF
PLAINTIFF'S MOTION AND INCORPORATED MEMORANDUM OF LAW IN
SUPPORT OF ITS MOTION FOR FINAL JUDGMENT BY DEFAULT
AS TO PERMANENT INJUNCTIVE RELIEF AND REMEDIES AGAINST
DEFENDANTS PRINTZ CAPITAL MANAGEMENT, LLC, PRINTZ
FINANCIAL GROUP, INC., AND PCM GLOBAL HOLDINGS, LLC**

DEVON LEPPINK STAREN, pursuant to 28 U.S.C. § 1746, declares as follows:

1. I make this declaration in support of the Commission's Motion and Incorporated Memorandum of Law in Support of its Motion for Final Judgment by Default as to Permanent Injunctive Relief and Remedies Against Defendants Printz Capital Management, LLC ("Printz Capital"), Printz Financial Group, Inc. ("Printz Financial"), and PCM Global Holdings, LLC ("PCM Global") (collectively, the "Printz Entities").

2. I have personal and first hand knowledge of the facts set forth in this Declaration and, if called and sworn as a witness, could and would competently testify thereto.

3. I am a Senior Counsel in the Division of Enforcement of the United States Securities and Exchange Commission ("Commission") in Washington, D.C. As part of my daily activities I investigate possible securities law violations. I am a member in good standing of the

bar of the District of Columbia. The facts set forth herein are based upon my personal knowledge or upon information contained in the files of the Commission.

4. During the Commission's investigation in this matter, I reviewed account statements, checks, and other documents concerning accounts held by the Printz Entities and certain of their affiliates at Pershing Advisor Solutions LLC ("Pershing"), Wachovia Bank of Delaware, NA ("Wachovia"), Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill"), and Citibank NA ("Citibank"), among others that were produced to the Commission staff. I also reviewed account statements and other documents concerning the accounts held at Pershing by Printz Capital advisory clients that were produced to the Commission staff.

5. I also reviewed investment management agreements and other documents produced by Pershing and Alfred Clay Ludlum, III ("Ludlum") relating to the advisory fees paid to Printz Capital by its clients.

6. In addition, the Commission staff took sworn testimony and conducted voluntary interviews with Ludlum, investors in the Printz Entities, Printz Capital clients, and other witnesses concerning the management fees, investments, loans, and other payments made to the Printz Entities, as well as other subjects.

7. Based on my review of information from these sources, as well as other information gathered during the course of the investigation, I created a chart of payments representing the investments in, and loans to, the Printz Entities, as well as the funds misappropriated from certain of Printz Capital's clients' accounts. This chart is attached as **Exhibit A**.

8. As reflected in Exhibit A, I calculated that the Printz Entities raised \$850,031 from investors through management fees deducted from Printz Capital clients' accounts, checks,

and wire transfers, as well as loans from a Printz Capital advisory client and funds that were misappropriated from Printz Capital advisory clients' accounts without their authorization. I also calculated that the Printz Entities returned \$114,414 to investors in interest and principal repayments. Consequently, a reasonable approximation of the Printz Entities' total illicit gains is \$735,617.

9. In accordance with the Commission's customary practice, I have computed prejudgment interest according to the rates used by the Internal Revenue Service pursuant to 26 U.S.C. § 6621(a)(2) to prevent taxpayers who have underpaid their taxes from being unjustly enriched. 26 C.F.R. § 301.6621. Using a Commission computer program that, I am informed and believe, was designed for the purpose of computing prejudgment interest, I computed interest on the principal amount of \$735,617 from May 26, 2009 (the date on which the Printz Entities collected their last investment) through February 14, 2011. The amount of interest thus computed is \$49,817. A printout of the computation is attached as **Exhibit B**.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 14, 2011.

/s/ Devon Leppink Staren

Devon Leppink Staren

EXHIBIT A to Staren Declaration (February 14, 2011)
SEC v. Ludlum, et. al., 10-cv-07379

DATE	AMOUNT INVESTED	FROM ACCOUNT	TO ACCOUNT	TRANSFER VEHICLE	AMOUNT RETURNED
6/16/2006	10,000	Suntrust ****1957	Wachovia *****9948	Check	
7/7/2006	8,000	Smith Barney *****4635	Wachovia *****9948	Check	
7/26/2006	2,000	Wachovia *****3537	Wachovia *****9948	Check	
7/31/2006		Wachovia *****9948		Check	79.75
8/8/2006	2,000	Wachovia *****3537	Wachovia *****9948	Check	
8/21/2006		Wachovia *****9948		Check	54.87
8/22/2006	38,000	Wachovia *****3537	Wachovia *****9948	Check	
8/27/2006		Wachovia *****9948		Check	53.1
9/12/2006		Wachovia *****9948		Check	267
9/18/2006	500	Suntrust ****5929	Wachovia *****9948	Check	
9/18/2006	7,500	Suntrust ****7445	Wachovia *****9948	Check	
10/5/2006	10,000	Commerce Bank *****7641	Wachovia *****9948	Check	
10/10/2006	15,000	USAA ****4832	Wachovia *****9948	Check	
10/23/2006	5,000	Pershing *****57	Pershing *****09	Management Fee	
10/31/2006	2,000	Pershing *****57	Pershing *****09	Management Fee	
10/31/2006	20,000	Pershing *****99	Pershing *****09	Management Fee	
11/1/2006		Wachovia *****9948		Check	67.95
11/1/2006		Wachovia *****9948		Check	65.76
11/1/2006		Wachovia *****9948		Check	172.23
11/1/2006		Wachovia *****9948		Check	26.67
11/28/2006	8,000	Pershing *****99	Pershing *****09	Management Fee	
11/30/2006		Wachovia *****9948		Check	53.1
11/30/2006		Wachovia *****9948		Check	99.9
11/30/2006		Wachovia *****9948		Automated Debit	166.68
11/30/2006		Wachovia *****9948		Automated Debit	133.5
1/12/2007	575	Pershing *****57	Pershing *****09	Management Fee	
1/31/2007	20,000	Pershing *****82	Pershing *****09	Management Fee	
2/5/2007	2,800	Pershing *****31	Pershing *****09	Management Fee	
2/6/2007	7,200	Pershing *****31	Pershing *****09	Management Fee	
2/28/2007	37,700	Pershing *****88	Pershing *****09	Management Fee	
3/1/2007	14,000	Pershing *****66	Pershing *****09	Management Fee	
3/1/2007	4,280	Pershing *****65	Pershing *****09	Management Fee	
3/9/2007	50,000	Pershing *****64	Pershing *****09	Management Fee	
3/18/2007		Wachovia *****9948		Check	260
4/4/2007	5,000	Pershing *****88	Pershing *****09	Management Fee	
4/20/2007	40,000	Bank of America	Wachovia *****9948	Wire Transfer	
5/4/2007	15,000	Navy FCU	Wachovia *****9948	Wire Transfer	
5/15/2007		Wachovia *****9948		Automated Debit	230.95
5/30/2007	10,000	Pershing *****14	Pershing *****09	Management Fee	
5/30/2007	1,000	Pershing *****21	Pershing *****09	Management Fee	
5/31/2007		Wachovia *****9948	Sun Trust *****	Wire Transfer	2000
6/11/2007	50,000	First Clearing LLC	Wachovia *****9651	Wire Transfer	
6/12/2007	37,176	Commerce Bank	Wachovia *****9948	Wire Transfer	
7/11/2007		Wachovia *****9948	Bank of America	Wire Transfer	2000
7/13/2007		Wachovia *****9948	Bank of America	Wire Transfer	2000
7/18/2007	50,000	Wells Fargo	Wachovia *****9651	Wire Transfer	
7/19/2007		Wachovia *****9948	Bank of America	Wire Transfer	6000
7/27/2007		Wachovia *****9948	Pershing *****32	Wire Transfer	30,000
9/25/2007	4,700	Pershing *****33	Pershing *****09	Management Fee	
10/4/2007	1,600	Pershing *****33	Pershing *****09	Management Fee	
10/5/2007	3,400	Pershing *****33	Pershing *****09	Management Fee	
1/9/2008		Wachovia *****9948		Check	700
1/10/2008	3,000	Pershing *****32	Pershing *****09	Management Fee	
1/16/2008	2,000	Pershing *****32	Pershing *****09	Management Fee	
2/7/2008	5,000	JPMorgan Chase	Wachovia *****9948	Wire Transfer	
2/15/2008	500	Pershing *****32	Pershing *****09	Management Fee	
2/19/2008	4,500	Pershing *****32	Pershing *****09	Management Fee	

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3/3/2008	10,000	Pershing *****14	Pershing *****09	Management Fee	
3/18/2008	10,000	Pershing *****99	Pershing *****09	Management Fee	
3/20/2008		Wachovia *****8491		Check	2000
3/20/2008	15,000	Pershing *****16	Pershing *****09	Management Fee	
3/20/2008	10,000	Pershing *****08	Pershing *****09	Management Fee	
3/20/2008		Wachovia *****9948	Sun Trust Bank	Wire Transfer	2000
3/20/2008	15,000	Pershing *****99	Pershing *****09	Management Fee	
3/21/2008		Wachovia *****9651	Bank of America	Wire Transfer	30,000
4/22/2008	2,000	Pershing *****07	Pershing *****09	Management Fee	
5/2/2008	10,000	Pershing *****22	Pershing *****09	Management Fee	
5/2/2008		Wachovia *****9948		Counter Withdrawal	1000
5/8/2008	10,000	Pershing *****22	Pershing *****09	Management Fee	
5/8/2008	5,000	Pershing *****15	Pershing *****09	Management Fee	
6/18/2008	7,000	Pershing *****49	Pershing *****09	Management Fee	
6/18/2008	1,000	Pershing *****82	Pershing *****09	Management Fee	
7/1/2008	5,000	Pershing *****33	Pershing *****09	Management Fee	
7/9/2008	50,000	Pershing *****99	Pershing *****09	Management Fee	
7/14/2008		Wachovia *****8491		Check	800
7/14/2008		Wachovia *****8491		Check	800
7/14/2008		Wachovia *****8491		Check	1200
8/1/2008		Wachovia *****7626		Check	92.35
8/5/2008	15,000	Pershing *****47	Pershing *****09	Management Fee	
8/8/2008	10,000	Pershing *****47	Pershing *****09	Management Fee	
8/11/2008	5,000	Pershing *****47	Pershing *****09	Management Fee	
8/8/2008		Wachovia *****9948	Sun Trust Bank	Wire Transfer	800
9/3/2008	4,000	Pershing *****99	Pershing *****09	Management Fee	
9/9/2008	10,000	Pershing *****15	Pershing *****09	Management Fee	
9/26/2008	3,000	Pershing *****99	Pershing *****09	Management Fee	
10/1/2008	2,000	Pershing *****15	Pershing *****09	Management Fee	
10/1/2008	1,000	Pershing *****07	Pershing *****09	Management Fee	
10/17/2008	25,000	Pershing *****31	Pershing *****09	Management Fee	
10/20/2008		Wachovia *****7626	Pershing *****47	Wire Transfer	20000
11/3/2008	1,000	Pershing *****15	Pershing *****09	Management Fee	
11/7/2008		Wachovia *****9948		Check	168.63
11/7/2008	3,000	Pershing *****99	Pershing *****09	Management Fee	
11/25/2008	2,000	Pershing *****33	Pershing *****09	Management Fee	
11/25/2008	2,000	Pershing *****99	Pershing *****09	Management Fee	
12/2/2008	450	Pershing *****15	Pershing *****09	Management Fee	
12/2/2008	650	Pershing *****07	Pershing *****09	Management Fee	
12/8/2008	1,000.00	Pershing *****56	Pershing *****09	Management Fee	
12/15/2008	25,000	Pershing *****16	Pershing *****09	Management Fee	
1/9/2009	2,500	Pershing *****99	Pershing *****09	Management Fee	
1/16/2009	1,000	Pershing *****07	Pershing *****09	Management Fee	
1/20/2009	5,000	Pershing *****15	Pershing *****09	Management Fee	
2/18/2009	780	Pershing *****45	Pershing *****09	Management Fee	
2/25/2009	220	Pershing *****15	Pershing *****09	Management Fee	
3/2/2009	10,000	Pershing *****14	Pershing *****09	Management Fee	
3/5/2009	3,000	Pershing *****82	Pershing *****09	Management Fee	
3/16/2009		Wachovia *****7626	Sun Trust Bank	Wire Transfer	1000
3/16/2009	20,000	Pershing *****99	Pershing *****09	Management Fee	
3/16/2009		Wachovia *****7626	Bank of America	Wire Transfer	1000
3/19/2009		Wachovia *****7626		Check	76
4/30/2009	10,000	Pershing *****99	Merrill ****7476	Direct transfer of Treasury Bills	
5/1/2009	10,000	Pershing *****21	Merrill ****7476	Wire Transfer	
5/26/2009	30,000	Pershing *****47	Merrill ****7476	Electronic Check	
6/11/2009		Wachovia *****7626		Check	300
6/23/2009		Wachovia *****7626	Bank of America	Wire Transfer	2000
6/26/2009		Wachovia *****7626	Commerce (TD) Bank	Wire Transfer	800
9/15/2009		Citibank *****6526	Sun Trust Bank	Wire Transfer	5000

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12/29/2009		Citibank *****6526	Sun Trust Bank	Wire Transfer	1000
TOTALS	850,031				114,414

EXHIBIT B to Staren Declaration (February 14, 2011)

**U.S. Securities and Exchange Commission****Division of Enforcement****Prejudgment Interest Report****SEC v. Ludlum, et. al., 10-cv-07379**

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
Violation Amount				\$735,617.00
06/01/2009-06/30/2009	4%	0.33%	\$2,452.06	\$738,069.06
07/01/2009-09/30/2009	4%	1%	\$7,380.69	\$745,449.75
10/01/2009-12/31/2009	4%	1%	\$7,454.50	\$752,904.25
01/01/2010-03/31/2010	4%	1%	\$7,529.04	\$760,433.29
04/01/2010-06/30/2010	4%	1%	\$7,604.33	\$768,037.62
07/01/2010-09/30/2010	4%	1%	\$7,680.38	\$775,718.00
10/01/2010-12/31/2010	4%	1%	\$7,757.18	\$783,475.18
01/01/2011-01/31/2011	3%	0.25%	\$1,958.69	\$785,433.87
Prejudgment Violation Range			Quarter Interest Total	Prejudgment Total
06/01/2009-01/31/2011			\$49,816.87	\$785,433.87